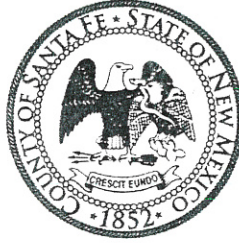


Henry P. Roybal
Commissioner, District 1

Anna Hansen
Commissioner, District 2

Rudy N. Garcia
Commissioner, District 3



Anna T. Hamilton
Commissioner, District 4

Ed Moreno
Commissioner, District 5

Katherine Miller
County Manager

MEMORANDUM

Date: February 26, 2019

To: Board of County Commissioners

From: Chris Hyer, Economic Development Manager *CH*

Via: Penny Ellis-Green, Growth Management Director *PEG*
Katherine Miller, County Manager

Item: **Presentation and Report from Santa Fe Business Incubator (Marie Longserre, SFBI Director)**

SUMMARY:

The purpose of this presentation is to fulfill a requirement of a contract between Santa Fe County and the Santa Fe Business Incubator (SFBI). The original contract has been amended to offer business incubator services both at the incubator and to perform a pilot program of bringing their services out in the communities. The services provided were business and workforce development oriented for businesses located outside the incorporated areas of the County. A copy of this report is included in the packet.

BACKGROUND:

On February 22nd, 2016, Santa Fe County entered into a PSA with the SFBI for professional services related to business outreach, tracking and training for Santa Fe County businesses located outside the incorporated area of the County. Deliverables for this contract include a report (see Exhibit A) presenting the number of new business startups, the number of businesses graduated from SFBI, the number of businesses assisted in retention efforts in 2018, an updated and economic impact analysis.

The amended contract also includes an additional piece to the scope of work that asks the SFBI to perform outreach of incubation services to small communities in the County. That is, rather than businesses going to their Santa Fe location for their services, the staff of SFBI went out to communities within the County and met with groups that are interested in starting businesses. This additional task has successfully started conversations with new prospective businesses and the people asking for the necessary resources to start a business venture are being assisted. Discussion regarding the communities and the people that were assisted is also included in the report.

The SFBI is to make a presentation to the Board of County Commissioners. The afore mentioned report will be part of that presentation as well an overview of the scope of Business Incubation services and programs offered, the economic impact of SFBI and its client companies, and a highlight of future activities and alliances.

Action Requested:

This is an informational presentation. There is no action requested.

Exhibits:

A – Report as per PSA: 2016-0264-GM BT – amendment 3

B – Copy of the Power Point presentation slides



Santa Fe Business Incubator * 3900 Paseo del Sol * Santa Fe, NM 87507 * marie@sfbi.net * 505-424-1140

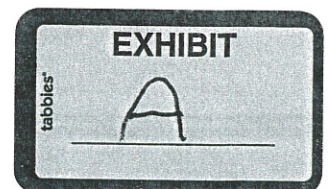
Santa Fe County
Professional Service Agreement 2016-0264-GM BT
January 31, 2019

Santa Fe County contracted with the Santa Fe Business Incubator (SFBI) to provide regular Business and Workforce Development programs and Infrastructure and Business Development Services for Santa Fe County. SFBI was also contracted to develop and implement a businesses outreach program in select unincorporated areas of Santa Fe County. Per the Professional Service Agreement 2016-0264-GM BT, the Santa Fe Business Incubator submits the following report.

The contractual scope of work requires Santa Fe Business Incubator provide the following information and metrics:

1. Number of new client startups, including tenants and affiliates that signed leases with the contractor in 2018 with information on NAICS code type of business and number of employees
2. Number of businesses that graduated from SF Business Incubator in 2018, with information of NAICS code type of business and number of employees
3. Number of other businesses assisted in retention/expansion efforts in 2018, with information on NAICS code type, number of employees and names of business
4. Updated and detailed economic impact analysis for 2018 as well as cumulative four years leading up to 201 which include:
 - a. Aggregated data for new job creation, client revenue, taxes generated and capital attracted
5. Details on outreach efforts and/or partnerships and accomplishments with economic development groups
6. Details on outreach efforts to post-secondary schools and colleges

The Santa Fe Business incubator submits the following information in accordance with Santa Fe County Professional Service Agreement 2016-0264-GM BT



Item 1: Number of new client startups, including tenants and affiliates that signed leases with the contractor in 2018 with information on NAICS code type of business and number of employees

1.

New Client Companies 2018	NAICS Code	Number of starting employees
4	541511	7
1	541618	1
1	561720	3

Item 2: Number of businesses that graduated from SF Business Incubator in 2018, with information of NAICS code type of business and number of employees

2.

Graduate Client Companies 2018	NAICS Code	number of employees
2	541511	5
1	541711	3
1	311920	2
1	312120	4
1	332618	3

Item 3: Number of other businesses assisted in retention/expansion efforts in 2018, with information on NAICS code type, number of employees and names of business

Total number of companies or individuals that participated in SFBI facility hosted trainings, business development activities and networking events in 2018 was **9,133**

SFBI and its partners regularly host business trainings, workshops, seminars, and networking events at the for the public and business community. Attendees are not required to provide detailed reports of their operations in order to attend. As a result of these public activities, companies or individuals will engage with SFBI for additional one-on-one assistance. SFBI classifies and gathers information on those businesses or individuals and those that become potential Incubator tenants or affiliates. They have identified a description of their businesses or ideas as presented.

prospect	city	zip	Company-type-desc
1	Seattle	98103	BioTech - Research and Development
1	Albuquerque	87112	Technology - Software
1	Santa Fe	87505	Legal
1	Santa Fe	87507	Consulting
1	Santa Fe	87505	BioTech
1	Taos	87571	Agriculture
1	Santa Fe	87508	Health Care
1	Laporte	80535	BioTech
1	Santa Fe	87507	Other
1	Albuquerque	87102	Culinary
1	Santa Fe	87508	Manufacturing - small/craft/design
1	Santa Fe	87507	Other
1	Santa Fe	87505	Agriculture
1	Santa fe	87507	Construction
1	Santa Fe	87505	Agriculture
1	Santa Fe	87507	Manufacturer - Food & Beverage
1	Cochiti Lake	87083	Information Technology
1	Santa Fe	87507	Construction
1	Santa Fe	87505	Health Care
1	Santa Fe	87501	Communications
1	Santa Fe	87505	Internet - Service
1	Santa Fe	87505	Finance
1	Santa Fe	87505	Other
1	SANTA FE	87507	Culinary
1	Santa Fe	87504	Other
1	Santa Fe	87507	Retail
1	Santa Fe	87507	Construction
1	Santa Fe	87501	Culinary
1	Santa Fe	87507	Manufacturer - Food & Beverage

Item 4: Economic Impact - Updated and detailed economic impact analysis for 2018 as well as cumulative four years leading up to 201 which include:

a. Aggregated data for new job creation, client revenue, taxes generated and capital attracted

Economic Impact FY 2016, 2017, 2018:

Year	Jobs Created (fte)	Revenue	Taxes (estimated)	Capital Attracted
2016	27	\$7,564,308.77	\$475,795.02	\$6,427,682.67
2017	37.5	\$6,224,326.87	\$390,887.73	\$1,598,051.75
2018	38.5	\$5,144,379.40	\$323,067.02	\$3,698,950.00

Item 5: Details on outreach efforts and/or partnerships and accomplishments with economic development groups

In 2018 the Santa Fe Business Incubator maintains ongoing partnerships and collaboration with more than 40 economic development organizations and groups locally, regionally, nationally, and internationally. Highlights of activities, outreach efforts, partnerships and accomplishments with local economic development groups in 2018 include:

- 1) The Santa Fe Business Incubator houses the physical headquarters of the North Central New Mexico Economic Development District; the WESST Santa Fe office; and the Southside Santa Fe office of SCORE. The co-location of these economic development organizations in the Incubator facilitates regular communication, planning, and coordinated business development services and resources.
- 2) SFBI hosted, facilitated attendance and registration for, and assisted in promotion of the SCORE Fall and Spring series of business workshops and trainings.
- 3) SFBI hosted, promoted and facilitated meetings and workshops for the following economic and business development entities:
The New Mexico Small Business Assistance Program from Los Alamos National Labs; the Northern New Mexico Venture Acceleration Fund; the New Mexico Angels business workshops; the Regional Development Corporation; NMA Ventures; the New Mexico Economic Development Department; the NMSU Arrowhead Innovation Fund; and the Feynman Center for Innovation at Los Alamos National Labs.
- 4) SFBI organizes and hosts the monthly meetings of the Santa Fe Software Developers Meetup.

- 5) SFBI organizes and hosts the monthly meetings of the Santa Fe Film Makers and Screenwriters Meetup groups.
- 6) SFBI organized and hosted 16 sector-focused Advisory Council meetings (4 each quarter) for SFBI clients in focus areas of process and product manufacturing; IT and technology; bio-tech and medical devices; and service businesses. Attendees included representatives from: the New Mexico State Economic Development Department; the New Mexico Manufacturing Extension Partnership; the Santa Fe Community College; The Santa Fe Business and Quality of Life Committee; the New Mexico Tech Council; the NM Bio-tech Association; Los Alamos National Labs; and the Feynman Center for Innovation.
- 7) SFBI and the Santa Fe Small Business Development Center co-hosted 3 specialized business workshops on the topics of social media, marketing, and design thinking.

Item 6: Details on outreach efforts to post-secondary schools and colleges

In 2018 the Santa Fe Business Incubator conducted outreach efforts to post-secondary schools and colleges

- 1) An Executive member of the SFBI Board of Directors teaches the Introduction to Business and Entrepreneurship classes at the Santa Fe Community College
- 2) The Santa Fe Business Incubator hosts the Santa Fe Community College Entrepreneurship classes each semester. The students are given a presentation on the Incubator and entrepreneurship and a tour of the facility.
- 3) SFBI's President & CEO meets with the Business and Entrepreneurship classes at Santa Fe Community College each semester to review the final class project presentations.
- 4) The Santa Fe Business Incubator and the Tech and Trades Center at Santa Fe Community College collaborate on serving start-ups and sharing resources including their respective Fab Lab maker spaces.
- 5) The SFBI President & CEO is a member of the Santa Fe Higher Education Center's(HEC) Advisory Council. The HEC includes participants from the Santa Fe Community College, Highlands University, and University of New Mexico.
- 6) SFBI collaborates with the Arrowhead Innovation Center at New Mexico State University and hosts representatives from the center when they do outreach in Northern New Mexico.

Item 7: Outreach for business expansion and retention in unincorporated areas of Santa Fe County

The overarching goal of the rural outreach program has been to help communities and develop their own community centers or nodes to better access business resources in the County, State and beyond. The Santa Fe Business Incubator (SFBI) previously developed the guidelines and community participant profiles for the project and worked with the pilot community. In 2018 (SFBI) continued work with the La Cienega community; identified two more communities that met the program criteria and were spread throughout the county; made contact with engaged community representatives; and held outreach events. For 2018, SFBI engaged a special projects consultant to work on this program. The SFBI Program Manager or the SFBI President assisted at on-site meetings and consulting events.

The most challenging aspect of building the rural business outreach programs in the communities has been finding the local person(s) who will be the initial point of contact and local champion for building up the business community and local communications and securing meeting places. After a community is identified as eligible for the program, SFBI researches and pursues referrals to find a person, or persons, who is qualified and willing to be the community representative.

After the community representative(s) is found and established and a central meeting place is identified, the targeted outreach and communication to the local businesses and entrepreneurs begins. Due to the number of rural businesses that are home-based, the methods to communication and engage with them takes multiple forms. Key communication methods have included: SFBI personnel attendance and appearances at community meetings and events; announcements in email newsletters; editorials and notices in community newspapers; distributed brochures, posters or flyers; radio announcements; and posts on a variety of social media.

This early work to establish a presence and connect with the local business people is the most time intensive and labor intensive parts of the project. It starts with small numbers of participants and builds over time. Once, the connections are established, a special event open to the public with one-to-one business consulting is scheduled and promoted.

In 2018 SFBI engaged with the project-identified communities of La Cienega, Glorieta/Pecos, and Tesuque Pueblo. Follow-on meetings and another business-consulting event were held in La Cienega. A business resource fair was held in Glorieta /Pecos by the RDC and the SFBI representative participated and met with business owners and potential startup owners. Contracts in the Glorieta/Pecos area were also established which led to follow-on correspondence and conversations to identify a local

program champion/contact. The contact is interested in holding another business outreach event with the help of SFBI later this year. After considerable research and networking, a contact was established at Tesuque Pueblo who wants to bring the program to the Pueblo. However, recent changes in Pueblo leadership may require a new person to be named by the Pueblo Governor as the local contact.

Ongoing communication and planning with the local contact person was necessary for SFBI to put on the events. With the coordination of the local contact, SFBI was responsible for scheduling, promotion, registration, physically setting-up the premises, providing refreshments, bringing materials from other economic and business development partners, and staffing the on-site one-to-one business consulting for individual business people and aspiring entrepreneurs.

The consultations addressed opportunities and resources for starting or expanding a business. They addressed the challenges of working in a rural area and provided guidance to broaden people's personal and business networks. Materials from other economic development organizations were on hand and each participant received individualized referrals to resources. Consultants answered specific questions for the participants and follow-up with them as requested.

During the course of developing and implementing the program, SFBI learned that building and expanding a core business community and identity, and establishing regular communication, is a lengthy, complicated process. However, once it has begun it grows and builds on itself. Communities with strong leadership are most likely to continue and build on the program to the benefit of local businesses and entrepreneurs.

The SFBI special projects contractor and staff noted the lack of knowledge about business resources revealed by interacting with the rural business people. Most were unaware of local, State, and Federal programs they could access including: the Jobs Training Initiative Program (JTIP); PTAP assistance for government procurement programs; Los Alamos National Labs' and Sandia National Labs' Small Business Assistance Program; Federal SBIR and STTR programs to fund research and commercialization; MEP, the manufacturing assistance organization. Some were unfamiliar with local programs such as the Santa Fe Small Business Development Center, SCORE, WESST, meetup groups and others. They were also unaware of business financing programs such as The Loan Fund; the LANL Venture Acceleration Financing program; the New Mexico Catalyst Fund; the New Mexico Angels; Coronado Ventures; and the Finance New Mexico newsletter. If more rural businesses would connect with just the Finance New Mexico Newsletter online they would have a connection to many of the financing programs and trainings throughout the region and state.

SFBI also noted that better communication methods in small communities and in the county in general could enhance business development outreach efforts. Use of communication platforms in small communities and countywide could aid in

familiarizing rural businesses and individuals with the resources available to them to help them start or expand their businesses.

The dates and timelines of the public outreach events are described in attachment A: "Santa Fe County Hub & Spoke Rural Outreach Update Report January 30, 2019" and attachment B: "Santa Fe County Hub & Spoke Rural Outreach Update Report July 10, 2019" in this report.

The findings and recommendations that resulted from the rural outreach program are described in attachment C: Rural Survey Feedback Report in this report.

Note: Participating companies and individuals had multiple interactions with SFBI staff through networked connections, phone, email, and in-person meetings and follow-ups. However, each entity is listed once on the following chart.

In aggregate, the Santa Fe Business Incubator interacted with the following types of companies in the course of this outreach effort.

Company	company description	Assistance Requested
1	Algae Producer	Funding, Relocation
2	Software Developer	Funding, Pitch process, Investors
1	Process Server	Business Model
2	Construction	Changing customers
1	Property Rental	General Business
1	Retail Sales	Increase awareness, marketing
1	Commercial Cleaning	Marketing, customers, regulations
1	Marketing Services	General Business

ATTACHMENTS

ATTACHMENT A



UPDATE:
Santa Fe County
Hub & Spoke Rural Outreach Program

January 30, 2019

www.sfbi.net | 505-424-1140 | mariel@sfbi.net

Santa Fe  Business
incubator

As part of the Hub & Spoke Rural Outreach Program, Santa Fe Business Incubator provides this update on work from June 1 to January 30, 2019

| **June 21** Held outreach event for small businesses, entrepreneurs, and people with business ideas at the La Cienega Valley Community Center in La Cienega, NM

| **July 10** Reported on work accomplished to date in La Cienega to Santa Fe County including timeline and recommendations

| **July 31** Sent information to the La Cienega Valley Community Association about the Hub & Spoke program for inclusion in their community newsletter

| **August 28** Attended Pecos Finance and Technical Resource Fair organized by the Regional Development Corporation. Attendance aimed at creating connections in Glorieta and surrounding areas in Santa Fe County

| **September 5** Contacted Kimberly Allen with Pecos Business Association about outreach efforts to businesses located nearby in Santa Fe County

| **November 30 to December 20** Contact with Lt. Governor Roman Duran from Tesuque Pueblo. In discussions for business development

| **December 13** Second outreach event for small businesses, entrepreneurs, and people with business ideas at the La Cienega Valley Community Center

|FUTURE OUTLOOK

SFBI has continued its work with La Cienega as part of the Hub & Spoke Model project that includes La Cienega as an outreach and service delivery node. People who were not able to attend the business consultation events subsequently contacted the Santa Fe Business Incubator (SFBI) to discuss their business ideas.

SFBI participated in a business resource fair hosted by the RDC. SFBI conducted outreach efforts in Glorieta by leveraging the Pecos Business Association's ties to that community. Another resource event and business-coaching event could be held in Glorieta.

SFBI identified Tesuque Pueblo as a community to work with and has been in contact with the Pueblo Lt Governor to set up outreach events. The Pueblo has undergone a leadership change so a new representative should be identified to advance the project.

SUMMARY

SFBI identified and worked with 3 rural communities. Tesuque Pueblo was identified as a program match. Correspondence and discussions were held with the Tesuque Pueblo Lt Governor. Pueblo leadership subsequently changed. Glorieta was identified as a program match. SFBI participated with the Regional Development Corporation in a business resource fair in Glorieta/Pecos. SFBI developed a contact in Glorieta who is interested in furthering business outreach there. LA Cienega was the first community identified for the pilot program and progress has been the most developed there, due to a contact person and an existing community organization. SFBI could communicate through their newsletter. SFBI held two in-person business-coaching events in La Cienega. People came from the area and from neighboring communities for assistance. Over the course of the pilot project SFBI representatives met with 20 individuals who planned to start a business, or people who had a business. Some of them contacted the Incubator or other organizations for follow up assistance or attended other trainings.

Observation: many people in rural areas are not aware of all the resources available to them through local, state and federal programs. More work can be done to make rural business people aware of resources to help start or grow their businesses.

Second observation: some rural communities find their community buildings and infrastructure are underutilized. It is often complicated to access a property by getting keys at another location. More use of community centers could help build community identity as well as host programs that connect people to knowledge and resources.

ATTACHMENT B



UPDATE:
Santa Fe County
Hub & Spoke Rural Outreach Program

July 10, 2018

As part of the Hub & Spoke Rural Outreach Program the Santa Fe Business Incubator was in contact with the community of La Cienega since the beginning of 2018:

| **January 12** Reached out by email to the La Cienega Valley Association (LCVA) Board and began corresponding with Carl Dickens LCVA Board President

| **March 5** Marie Longserre attended the LCVA Board Meeting and discussed the outreach project with them

| **April 1** Information on the SFBI and the rural outreach program appeared in the La Cienega Community Newsletter distributed to over 1,200 area households

| **May 5** Sean O'Shea attended the La Cienega Community Breakfast to speak with community members and distribute information about the Santa Fe Business Incubator and the outreach program

| **June 21** Held an outreach business consulting event for small businesses, entrepreneurs, and people with business ideas at the La Cienega Valley Community Center

www.sfbi.net | 505-424-1140 | mariel@sfbi.net

Santa Fe  Business
incubator